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CIA CAREER SERVICE BOARD

26th Meeting

Thursday, 8 April 1954

4:00 p.m.

DCI Conference Room

Administration Building

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Thursday, 8 April 1954

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Present

Lyman B. Kirkpatrick
Inspector General, ChairmanMatthew Baird
Director of Training, Member

25X1A9A

DC/PP, Member

Richard Helms
Chief of Operations, Alt. for DD/P, Member

25X1A9A

DAD/O, Member

25X1A9A

AD/Communications, MemberHarrison G. Reynolds
AD/Personnel, MemberLawrence K. White
ADD/A, Member

25X1A9A

SA/DD/I, Alt. for DD/I, Member

25X1A9A

Executive Secretary

25X1A9A

Secretariat
Reporter

By Invitation:

 Chairman, Insurance Task Force
 John S. Warner, Member, Insurance Task Force
 Member, Insurance Task Force

* Also Member, Insurance Task Force

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. . . The 26th Meeting of the CIA Career Service Board convened at 4:00 p.m., 8 April 1954, in the DCI Conference Room, Administration Building, Mr. Lyman B. Kirkpatrick presiding . . .

MR. KIRKPATRICK: Gentlemen, shall we come to order, please?

The first item on the agenda is the minutes of the 25th Meeting for approval. Any corrections or comments?

25X1A9A

[redacted] No comments.

MR. KIRKPATRICK: Hearing none, the minutes stand approved as submitted.

Item 2 on the agenda is the report to the Career Service Board from the Insurance Task Force, which will be made by Mr. [redacted] 25X1A9A

Mr. [redacted] you may proceed. 25X1A9A

MR. [redacted] I have a short preface to precede the foreword. It's this, that I can do this presentation in 49 minutes, but you are going to be here for 49 hours if you tangle me up. I'll warn you that I can take you through this and give you the essentials so that you can come out with enough information to weigh the recommendations. I would hope that some of you have done your homework.

MR. KIRKPATRICK: They all do their homework, John. 25X1A9A

MR. [redacted] This whole matter is a maze if you want to make it so. But if you let the Task Force--and, as their spokesman, I will do it--lead you though it, I'll skip even the compacted stuff you have in your hand. What you should have received with this "short form", in income tax parlance, was a buck slip saying that this is a digest, the compacting of a long report which is available to you if you want it. There is a "long" report that deals only with death but it has the appendices.

Now, the paper that you have there leads to the recommendations, which recommendations we haven't had passed out as yet. They are succinct and short. We will deal with the recommendations after we have gone through this thing, if we may. 25X1A5A1

One reason why we are as late as we are is that the [redacted] our consultants, have their own burden of work besides that for us, and they couldn't be pushed any faster. The recommendations were determined upon by the Task Force as of yesterday afternoon, but we thought it wiser not to disseminate them until at this meeting.

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Now, in passing I would say that my concern with respect to coverage on the matter of death was substantial before we started; it is less substantial now, for reasons that I will bring out. On the other hand, my concern with respect to disability and hospitalization is much more different than it was in the beginning. In the beginning it wasn't much, but now I am greatly concerned with the hospitalization feature, which we will deal with in Part II at another session.

One more word. Our mission from this Board was to see how to approach this problem of needed insurance coverage, if any, and that is the target of this meeting, how to approach it. I will take you, if I may, through this. That is to say, even from the compacted presentation here--the "short form"-- I will pick up from it only those things which are absolutely essential, with the hope that some of the rest of the flesh on the bones you will have read.

Only two notes in the foreword. If you will, turn to the foreword, which is about 3 pages in, to the third paragraph. (Referring to "Report to the CIA Career Service Board from the Insurance Task Force in Respect to Indemnities & Benefits Following Death and Disability") (Reading)

"Warning is given that the statistics following in respect to death are somewhat untrustworthy in the earlier years especially and, overall, may be too meagre to be fully significant. They are, however, indicative and useful."

The other point I want to make is that we take a very dim view on the Agency's capability of disseminating pieces of information and getting it into the hands of the people that ought to have it. It is demonstrable and I can prove it, and it's something that we ought to move on. Our thought is that if we dress up the dissemination pieces a little bit, maybe they won't hit the wastebaskets quite so quickly.

I'll skip the statements of the problem and the assumptions, and the facts I'll put on the board. Will you give me the first one, please? (Indicating 1st Chart on Easel) These charts pick up material that is already in this report, but I've put it in this form to take you along with me. There is a little more information on that chart than there is in here. This is the death ratio for CIA, Foreign Service, Department of State, and I threw in Agriculture, which is not a fair comparison but it is interesting. The reason it's not fair is because they allow retirees to keep the policies; hence, it's not comparable, but it is interesting.

MR. KIRKPATRICK: What does that mean on Agriculture? That your

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death rate includes the retired individuals who pass on?

25X1A9A MR. [] Yes, and it's of interest because there are so many in it. Now, then, over on the right of that chart I have taken the average of 1951, 1952 and 1953, because those figures are completely trustworthy.

25X9 Your ratio is shown there: [] for the Agency; .83 for Foreign Service; and 1.75 for Department of State. And if I take out 5 deaths from a single airplane crash it's 1.54. Therefore, the comparison is in those three figures. I tossed in some U. S. Public Health information to show the country-wide death ratio in comparison. Now I can't draw any firm conclusions from that except to say that seemingly the Foreign Service is better than we, but the statistics are so meager--and I use the word "meager"--that you really can't conclude on it. An early retirement from Foreign Service gets them out of that. If they die after that it is not in that figure, which may account for the difference. We have some older people in our [] Any questions on that one?

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Let's have the next one, please. (Indicating 2nd Chart on Easel) This is deaths per thousand of strength by office. This is of general interest but, again, the figures are small. Any statistician might quarrel with it, but it's of general interest.

MR. KIRKPATRICK: Why is OTR statistically insignificant?

25X1A9A MR. [] Because there are only 3 deaths. It's so small. The numerator and denominator in the others is larger, and hence a little bit better. I wouldn't make a comparison.

Next one, please. (Indicating 3rd Chart on Easel) Now here are the total causes of death for these six or seven years, with a total of 69, as shown on the bottom. Heart, then cancer, then suicide, then various internal troubles and diseases; and, importantly now, "g. Accident not in line of duty" - 5 (7%) of the total; and "h. Accident in performance of duty" - 8 (12%). There is the significant figure, insofar as the meagerness will allow you to attribute significance. The last one, "by enemy action", gives you 10 or 15 per cent in performance of duty. Performance of duty is a matter I will deal with later. You might have in mind that 10 of the 69, to agree the figures are valid, is of some significance.

Next one? (Indicating 4th Chart on Easel) I stuck this in for general information. This is unclassified and is the U. S. population figures.

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You will see where the killers are, and we are not so far removed from the general, country-wide condition. The red is accidents, the blue is cancers, the green is suicide, which drops off in the older age groups. On the heart, you see what happens to it. It's in 4th place in the young ages and moves up quickly. I'm sorry the age groupings are so large but I couldn't get any other information. And on TB, there you can see what has been done in this country on TB. That is just general information and indicative only to the extent that we have the same thing here.

Next one? (Indicating 5th Chart on Easel) Now here is an age comparison between Agency, the Foreign Service, and Department of State, in that order. You see there quite clearly the significant fact that we are pretty young. Just to give one single figure - 66 per cent of us are under 35; 52 per cent of the Foreign Service are under 35; and only 40 per cent of the Department of State. That is of significance. We think that that would change as time goes on, but not too much, because much of our work will call for a young man. That is of interest in connection with the death ratios.

That is all I want to tell you about at this time in terms of statistics. If you want further detailed breakdowns, discussions, etc., that will be in the long form which, if you ask for, will be delivered to you.

Now, then, the next section. Now here is a compacting of all of what I call the existing available protective measures - beneficiary coverage. Now let me compact even the compaction. If you will turn to page 3, I will take you through this and highlight it. With respect to ordinary life about all you need to know is, first, look at your own policies; second, note that exclusions are severe outside of scheduled airlines, with particular reference to training, testing, military missions, or while acting as a

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[redacted] Your ordinary life is out on the face

of the policy under those conditions. With respect to double indemnity, it is even more severe and there are more exclusions than set forth here. But those are the important ones. I recommend that you look at your own policies. I had no policy for scheduled airline in mine until I told them about it. I never looked at it until I was doing this study. Under commercial ordinary life the last thing, "c" - policies are not obtainable under certain circumstances if the applicant is scheduled for hazardous duty, and once granted may be voided if the exclusions are offended. I am picking out here what I am

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going to come back to in either conclusions or recommendations out of even this compacted information.

On National Service or U. S. Government Life Insurance there are no risk exclusions. That's all you need to know at this moment.

The Federal Employees Compensation Act, and this is important, is an exclusive compensatory remedy. It is "exclusive" in terms of what the United States owes you if you are killed resulting from injuries in the performance of duty. "In performance of duty" is of vital importance, and I'll pick it up later but I want you to get that now. (Reading) "....or from diseases proximately caused by employment." That is all of that for the moment.

Civil Service Retirement Act is primarily an annuity in nature but it does provide a small death benefit without regard to performance of duty or any condition at any time. Now these two Acts are exclusive. If you can qualify under FECA then you are out under the Civil Service Retirement Act.

There is no competition, as you will see.

P.L. 110 - that Act provides \$200 to bury you.

Now the next is important - the War Agencies Employees Protective Association, known as WAEPA. I would like to read to you what I say here, to make sure this gets over. This is excellent term life and accidental death coverage totaling now \$27 thousand dollars, available without medical examination for a premium cost up to age 41 of \$100 a year. There are no exclusions in the term feature. There are five in the accidental death category, but it's not important. Most importantly, in respect to air flight, any flight is fully covered if the insured proceeds under orders--directly or indirectly from the United States Government--as a passenger and ONLY as a passenger. That is all you need to know about that right now. Now in respect to these existing available benefits, the pay-off is in the translation of them. The only way to translate them is to take a couple of simple examples that fit into our situation, which I will do with the next chart. (Indicating 6th Chart on Easel) This being the pay-off, I want ten or twelve minutes for it, and it's absolutely essential for you to get it. I have to make certain assumptions, translate them under these instruments with the law or otherwise, and show you what happens. Let me take you through that chart. It says at the top: "A Summary of Existing Available Protective Assets in Terms

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of the Proceeds-Disposal Plan Chosen" - which I pick, you see. I chose that to put this over. The assumptions are death of a GS-11 with 9 years' service, beneficiary age 30. Now I have chosen on the left-hand side, way over, the case of a wife only, and in the case of a wife and 2 children. The column says, what asset has the man? Well, he has all these possible assets which I have just named. Then he dies under two different conditions, in performance of duty with ordinary life, and then without it. "Line of duty or not" - what that means is everything else outside of performance of duty.

Now I'll translate the assumptions as I go down through, without taking you through this piece of paper. Have in mind that better than 50 per cent of us are veterans. That relates itself to NSLI or U. S. Government.

Now on ordinary life I have had to make an assumption of what the disposal plan is both with respect to face and with respect to double indemnity. That assumption is this - the widow's age is assumed at 30 years because of the general youth of the Agency in both examples. Assumption is \$10 thousand dollars with double indemnity, the widow chooses--I being the widow--to, in this case, receive the proceeds immediately in the form of a monthly life income. Now I took an ordinary life policy from Omaha Mutual, an actual policy. The benefit is as shown - \$30.50 for the face or total of \$61 with double indemnity - 20 years service. As to FECA, all I need to tell you now is the same assumption of 30 years in the two cases. As to Civil Service, look across the line and see that the beneficiary, remember, gets nothing until she is age 50; and, of course, if the husband dies in line of duty then Civil Service is not interested because it is so small, that is, where the wife is the sole beneficiary. All she gets under Civil Service is \$33.42 a month at age 50. That differs if she has children, as I will show you.

In WAEPA there are two parts, term and accidental death. I've had to make assumptions there. In the term feature it is assumed that the employee chose proceeds-disposal on the basis of monthly installments payable immediately on his death, for a 15-year period. That is one of the choices. This pays, as you see, regardless of duty on the occasion of death; duty or not, in other words. As to the accidental feature I make this assumption, that has to be paid in a lump sum. It is assumed here the single beneficiary - a wife only, age 30, is better served by her purchase of a refund annuity payable 20 years from now, because she is a young woman, you see. Therefore,

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what she does with that is simply buys an annuity payable in 20 years and at 50 she gets \$94.13. You can add it up that way if you want to, and see that in performance of duty the benefits are \$362 and \$301; outside of performance of duty - \$139. But at age 50 she can add up the preceding.

Now FECA permits the addition of allowances; Civil Service Retirement Act does not. So if the employee died in [redacted] you can add \$34.00 in the performance of duty category. If he is a veteran and kept his NSLI or U. S. Government you add another \$60 or so. So the grand total for an employee killed in line of duty is damn good, as shown - \$423 and \$362. Everything else out of line of duty seemed to be a little inadequate, even if the employee had the works of what is now available.

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Now shift to the wife and two children - there is some difference. The difference lies in the Civil Service Retirement Act. If she has children the benefits are payable immediately, and that is of importance only if it is a death not in performance of duty, otherwise take it down through to the end and we find the man more valuable to his family when he is dead. Now that same fellow--his monthly take home is shown on the bottom if he has a wife only--hence only one deduction--is \$397. If he is dead in line of duty he's worth a lot more. If he has two children, with the deductions, he takes home \$417. That is just in passing. That chart shows you the pay-off, and on the basis of that we do our take-off, as you will see, in conclusions and recommendations. The most important point, then, in one or two words, is to realize that death in performance of duty provides significant and real benefits to the family. This is death, now, not disability. We will deal with disability at another time. Where it is death without performance of duty--any other kind of death--and BEC determines that it is fair to fair-minus, and mostly minus if he hasn't taken advantage of every possibility open to him, and existing available assets, there is one place for some concern. Those are the two significant things to draw out of that.

MR. KIRKPATRICK: One thing I don't understand, John, is the ordinary life insurance. What is the face value of those policies?

25X1A9A

MR. [redacted]: \$10 thousand, with a double indemnity. In other words, you have a \$20 thousand dollar value for an accidental death.

Now I want to take you back to "discussion" which is paragraph 4. And out of this compacting, which this discussion is, I want to give you only

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three small points. First, as to commercial ordinary life policies--and this I am giving to you here now because I am coming to it later--unquestionably many of the hazards to which substantial numbers of our people are exposed who are in training, will void the individual's previously obtained policy and make it impossible for an applicant to obtain such coverage if he asks for it. This is true in respect to the face amount, but most especially and more broadly true of the double indemnity and disability features of these policies.

As to FECA, which is paragraph 3 on page 5, just one sentence.

(Reading)

"This is excellent coverage for the individual (in disability) and for the family in death, arising from injuries suffered in performance of duty or from diseases proximately caused by employment. All hazardous or semi-hazardous duty is covered."

The last one is WAEPA, paragraph 6. (Reading)

"This is valuable moderate face amount coverage for non-accidental death - excellent coverage for accidental death. The policy is valuable because of (a) absence of exclusions in the term feature and but small limitation in the accidental death clause; (b) ease of procurement - no physical examination and immediate availability."

You can get it by just signing your name and paying the fee. You pay it right down in [redacted] office.

25X1A9A

Now the conclusions. I'm going to have to take you through this one because out of this comes the recommendations, and the recommendations are about 4 sentences. I admit that maybe I am unfair to you in compacting this so much, but I will give you a chance to ask questions. Conclusions as to death: First, there is need to seek replacement provision for potential voiding of an individual's ordinary life policy and to counter-denial of such coverage from the commercial line. There is a small but significant need that we ought to recognize. There is no need to seek supplemental beneficial coverage in the field of performance of duty. You saw why. The FECA is excellent coverage, and supplemented by optional coverage of WAEPA, and probable ordinary life, and NSLI for the veterans, all reasonable Agency obligation and concern is satisfied. It is desirable to seek, as have others, additional, better, or cheaper life coverage outside the field of performance of duty. Our people are young with existing and/or potential family responsibilities. Under that the group factor term life coverage provides the potential of about 70% saving in premium cost against commercial Ordinary

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Life. There is need to subject our WAEPA experience to actuarial study. We think it may very well be too high or too limiting. For instance, if you buy an ordinary policy on the market they will give you premium waiver practically for nothing, and that is not in WAEPA.

Paragraph e. (Reading)

"The liberal clauses in WAEPA make it an extremely desirable offering and one not to be jeopardized."

All that says is don't let's go galloping off until we know we can get better coverage and cheaper coverage elsewhere. What we have is damn good, this WAEPA, and until we can better it we darn well don't want to jeopardize it. There is need to facilitate the individual's procurement of trip coverage on scheduled airlines, with arrangement for such offering through out processing. The Task Force recommended that to Personnel and they put that in. You can buy, by signing your name when you do the out-processing, scheduled airline coverage, instead of buying it at the airline or doing it any other way.

Paragraph g. - There is need to arrange for trip coverage on non-scheduled and military aircraft. We say it is possible but we haven't done it yet.

Paragraph h. - The exclusive remedy aspect of FECA precludes the expenditure of appropriated dollars for the individual's benefit in either premium cost or other substantive benefit in the life field. However, because of the nature of the Agency's mission, its high demand for devotion, its general and overriding security demands, the Agency must be prepared to spend appropriate needful administrative dollars to backstop all proper beneficial coverage measures. What we are saying there is that you can't spend appropriate dollars for the individual either by paying part of the premium or giving him a benefit except as expressed in a small way in Public Law 321, but that we can spend appropriate dollars to do the administrative backing up, as we now are doing and should be prepared to do more, and by that I mean Joe [redacted] office principally, and Personnel.

25X1A9A

Now here is a policy question: WAEPA shall not be denied a staff employee or staff agent at any time. The attribution factor contained in FECA is overriding. If there is any choice it must be made in respect to the individual - John Jones to do this mission or not. One word of explanation on that. Heretofore, in months past there have been internecine disputes

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and arguments about whether or not Security would approve of John Jones being eligible for WAEPA. The John Jones I'm speaking of is a staff agent. As a staff agent he is an employee of the United States Government 24 hours a day. He is in exactly the same position as a staff employee. You may not deny him any of his rights at all - FECA as an example. So, therefore, if there is an attribution factor in connection with a sensitive mission, you've got it, and it's much more difficult to handle in FECA than WAEPA ever would be. So, question: What we would like from the Board is a determination with respect to that policy, and we are stating what we would like to have. And I don't say that given a case which is extremely, extraordinarily sensitive, and the only man besides Jesus who can do it is this staff agent, I don't see that we should be so blind as to not consider that, but I'd like the policy under which the boys have got to work.

Now DD/P has said that from the point of view of operation of security it is willing to extend eligibility to the staff agent in respect to WAEPA life insurance, and the contract employee and the courier agent. Those words have been surrounded with two considerations of security, that here we are talking about the group and that this Board is interested in the courier people in the Agency who will one day be staff agents for two or three years and then will be back in this group. I'll leave that for the moment.

At the present time the Task Force is not looking to legislation, and you will see why in the recommendations.

I get so mad about this next thing. As fully illustrated from lack of knowledge among our employees of FECA - almost entirely, and of WAEPA - less so now, we must consider new ways and means to get information over to our employees. This is vitally important first in respect to mission, then in justice to the employee and last in respect to the importance of long-time solid career development program. I haven't found one man in 50 who ever heard of FECA, and I've asked at DD/P Staff meetings, guys I've stopped in the hall down there and elsewhere. Now I think that is criminal.

MR. HELMS: I never heard of it myself.

25X1A9A

MR. [REDACTED] I think it's criminal, and I put the fault right up

at the top. If you will excuse me, I give it to you.

25X1A9A

MR. [REDACTED] It's worth up to \$400 a month to a dependent, that's the point.

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25X1A9A MR. [] How do we get it?

MR. [] I'll fix it up for you.

MR. KIRKPATRICK: You find out from General Counsel after you're dead.

25X1A9A MR. [] Now, give me the recommendations, please. I want to read these to you.

. . . Paper entitled "Recommendations as to Death - Part I" was then distributed to all members present . . .

25X1A9A MR. [] Now here are the recommendations, and if you will bear with me for only three more minutes I'll be done here. (Reading)

"After consultation with the [] and based upon their views as to how best approach our insurance problem in respect to death, the Task Force recommends this plan: (a) Offer to all Agency Staff employees and Staff Agents, the opportunity to secure group term life coverage with conversion privilege and premium waiver for disability along the following lines: (1) For salaries under \$3,200 annually, an optional coverage range with a minimum to equal the nearest \$1,000 of salary and a maximum of \$6,000; (2) For salaries over \$3,200 annually, an optional coverage range with a minimum to equal the nearest \$1,000 of salary and a maximum of \$15,000."

25X1A5A1

Let me say a word about that. Herein there is no loss in comparison with WAEPA. There is no change. There is the same coverage but it is better in that we have raised WAEPA to 15 from 12 and it won't cost much to do it, in the term feature. The term is now 12 in WAEPA. We have added conversion, which WAEPA doesn't have. In other words, when you leave the Agency it is your privilege to convert without medical examination into an existing standard form with the company with which we make the deal. Premium waiver means that if you are sick and can't pay because you haven't got any money, they will waive the premium and the death coverage remains. Don't mix it up with disability. There is no disability payment. It's just a premium waiver on your death coverage. (Reading)

"b. Add \$15,000 accidental death coverage to the foregoing in each policy."

That is the same as WAEPA. (Reading)

"c. Provide in the plan for the same exclusion leeway as presently in the WAEPA contract and the same procedural (security) handling as Omaha Mutual Benefit Health & Accident Association now has with us in the hospitalization field."

That is beautiful. It's complete. Put this plan up to the United Benefit Life Insurance Company of Omaha--that is the companion company--for what their

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firm can offer as to premiums. From talking to them informally they will beat WAEPA and give us better coverage for less money, from our informal talks with their local Washington representative, who is top secret cleared on a need-to-know basis. We asked WAEPA to bid on the same plan, and the reason for that is a strategy point - we don't expect them to do a damn thing but we don't want them to say, "You never gave us a chance."

(Reading)

"f. Take the product of Omaha's offer (and of WAEPA, if any) to the [redacted] for assessment against self-insurance on the same plan. [redacted] would then not only point up the cost advantage (premiums) of self-insurance, but also outline risks to us in so undertaking." 25X1A5A1 25X1A

They would also tell us how to meet such risks insofar as is reasonable.

For your information, they estimate that there may be a probable 10 per cent difference in cost to the employees in premiums, in self-insurance as opposed to an insurance deal.

MR. KIRKPATRICK: How much cost to the Agency in administering it?

25X1A9A MR. [redacted] We have a lot of that anyway for the security handling part of it.

25X1A9A MR. [redacted] That's it. Remember the mission, which was how to approach, and not to make resolution of what to do. We don't have a contract in here for you to look at and sign.

MR. KIRKPATRICK: My second question: Before acting on these recommendations should we await the second report from the Insurance Task Force?

25X1A9A MR. [redacted] On hospitalization? Yes.
MR. [redacted] Do you have any rough guess as to how those figures

would compare with WAEPA?

25X1A9A MR. [redacted] Omaha says they will beat it, and the Senior Actuary from Omaha, Nebraska was present. Better coverage and premium waiver, which is the most significant thing.

25X1A9A MR. [redacted] One of the great advantages of shifting to Omaha, if the cost and conditions are equal or better, is that we are then in a commercial company, whereas WAEPA is a Government company, so that gives you greater security protection in the event of death.

25X1A9A MR. [redacted] I take it there is no chance of transferring your seniority in WAEPA?

25X1A9A MR. [redacted] You don't have seniority. You don't have a day's seniority in WAEPA. It's straight term insurance. The minute you pay your

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dollars to WAEPA you are covered, and the minute you stop you have nothing, except the coverage that you have had in the past.

25X1A9A MR. [] And the minute you leave U. S. employment you are out, except that you can convert the term feature.

MR. HELMS: Based on my long actuarial experience (laughter), and knowing how damn far John and his Task Force worked, I'd like to recommend that we approve these recommendations.

25X1A9A MR. [] I concur.

MR. WHITE: I would second that motion.

I had one question I wanted to ask, John, which I don't believe has anything to do with the recommendations. Going back to paragraph "i" of your conclusions, where it says that WAEPA shall not be denied a staff employee or staff agent at any time. I know that is one which causes a lot of questions, because people--including Joe--telephone me for advice, and I'm not an expert on it. Are we completely in the clear on that? I mean, are we perfectly all right with the company by saying to any staff employee, "You may take this insurance"?

MR. [] Completely all right.

25X1A9A MR. [] There's no problem on that.

MR. [] The only problem is with the Security Office.

MR. KIRKPATRICK: I understood it would be a case where the Security Office might rule that this insurance might jeopardize the cover of the individual. Is that not correct?

25X1A9A MR. [] That is what they rule, but it is invalid.

MR. KIRKPATRICK: Then it seems to me the answer would be from the

DD/P.

25X1A9A MR. [] Originally WAEPA was intended for only those people going overseas. We have taken the attitude that all of our people are potentially overseas destined and hence are eligible for WAEPA.

MR. KIRKPATRICK: You don't see a security factor, do you, Dick?

MR. HELMS: No.

25X1A9A MR. [] There are two problems here, though.

MR. [] I'm still trying to get an Agency policy decision

as to who gets WAEPA.

MR. KIRKPATRICK: It seems to me if DD/P doesn't feel there is a security factor involved--

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25X1A9A MR. [REDACTED] Originally WAEPA was only for people going overseas.

MR. KIRKPATRICK: We issued an announcement last May to that effect.

25X1A9A MR. [REDACTED] You can't get official travel.

MR. [REDACTED] For that particular purpose.

MR. KIRKPATRICK: Let me find out, is there any dissension from the conclusion in paragraph "i"? Any dissension from that, Red?

MR. WHITE: No. I was just trying to get it clear in my own mind and to know if there are any obstacles. I concur wholeheartedly in the recommendation.

25X1A9A MR. [REDACTED]: If that is a statement of fact, you ought to change the CIA Notice.

MR. WHITE: If the Security Office has made a ruling either on individual cases or across the board, I didn't know about it.

25X1A9A MR. [REDACTED] What this objective is is just to change the color of looking at this matter. If this Board will take the position we desire, that staff agents shall not be denied, then the coloration inside the Office of Security will be changed. There is no trouble in the DD/P area - they will pass it, and it is their responsibility because it's operational security - and Sheff even said so.

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25X1A9A MR. [REDACTED] How about all of those characters in [REDACTED] who are not going anywhere.

25X1A9A MR. [REDACTED] The company has already said okay.

MR. [REDACTED] I don't think any clear Notice has been put out by the Agency. This says, "....who may go overseas presently or at some future time."

25X1A9A

MR. WARNER: I've taken it up with [REDACTED] and suggested he rewrite the Agency Notice to cover it more completely. I believe he's working on it, and I believe that will cover that point. It really isn't involved in this thing, though - this involves a security point.

25X1 MR. KIRKPATRICK: I gather the Board is overwhelmingly in favor of conclusion "i", and also, of unanimous mind on the recommendations. Is there any dissension?

MR. BAIRD: John, having told us how much we have missed by not having FECA - then I don't see FECA in here.

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25X1A9A

[REDACTED] Is the Task Force going to make any recommendations with respect to what we do to correct this deficiency in the knowledge of our people about these things; and, secondly, are we going to recommend that we do anything to try to change the concept of line of duty?

25X1A9A

MR. [REDACTED] I think the Office of Personnel is perfectly capable of handling this without the Task Force. It's right up their alley. It's their job, obligation and responsibility, and what they ought to do is pick up these criticisms and consider what to do about them.

25X1A9A

MR. [REDACTED] I agree, but whether they need to be corrected--and this is nothing derogatory to Personnel--whether the directive should be formalized. I am very much concerned on two points. One is that my people overseas who are flying non-scheds are ordered to do it, to go to [REDACTED] etc., which doubtless invalidates any policy they have, and they don't know about it. And I don't think that education by the circulation of written material is ever going to accomplish this. You can't read this stuff without somebody explaining it to you.

25X1A9A

MR. [REDACTED] It's very complex.

25X1A9A

MR. [REDACTED] It takes somebody to interpret these things.

MR. WHITE: Couldn't they catch most of those people in Central Processing by making them sign? They are doing that now.

25X1A9A

MR. [REDACTED] You have a lot of people travelling overseas in the Far East, for example.

MR. KIRKPATRICK: I'd recommend two techniques. We are catching them in travel now, in Central Processing. At the June meeting we're going to have we can hammer it home by John making a presentation on the same subject as today's, plus covering hospitalization. And thirdly, that can then be followed up by formal meetings to explain to all employees what these factors are in employee self-protection.

MR. WHITE: I think the circulation of some literature would help.

MR. KIRKPATRICK: Do that, too, but I think the average employee will throw that in the scrap basket.

25X1A9A

MR. [REDACTED] Red, you would be shocked to know what happened to the dissemination of that employee Notice which described the enlargement of 25X1A9A WAEPA. I chased it down, and the fault has been below the [REDACTED] level. John could tell me how many copies he gave to each one of the areas in the

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DD/P area, but what happened to them then, God knows.

MR. KIRKPATRICK: Sort of like selling life insurance to the colored troops, until the Chaplain said: "Now you boys listen here, Uncle Sam isn't going to put you in the front lines if he has insurance on you."

25X1 [REDACTED] What about line of duty? In the military, you know, it's line of duty unless it can be proven it was by your own misconduct or on absence without leave.

MR. WARNER: That wasn't a part of the Insurance Task Force problem. Insurance, as such, has nothing to do with line of duty. I don't mean to brush that off, because I know the problem has come up.

25X1A9A MR. [REDACTED] It's a very important one. I noticed a difference on the charts here. They call it "performance of duty". It's "line of duty". If you are killed in an automobile accident driving down to the Signal Center to process a hot cable, that is "line of duty", in my opinion, but it's after duty hours.

MR. WARNER: They would probably rule that one out since it happened on the way to work. That is just like you're coming down here after hours to do it - there is no difference.

MR. [REDACTED] Here they are line of duty and performance of duty.

MR. [REDACTED] Line of duty or not - that is the only category.

MR. [REDACTED] In other words, performance of duty you get \$222.75,

and line of duty you get nothing. That is the answer.

MR. HELMS: If you drop dead at this table is that performance of duty?

25X1A9A MR. [REDACTED] One minute after 5:00 it's line of duty and you don't get it. Before 5:00 it's performance of duty.

MR. KIRKPATRICK: Sure. This BEC is something. I believe it's correct to say the FECA is a great boon.

MR. WARNER: I think there was an incorrect interpretation there, Dick. If you would drop dead right now from a heart attack, or, let's say a hidden peritonitis situation, BEC, certainly on the latter, would not pick you up. On the heart, conceivably they would pick you up because they are beginning to get liberal, if you could demonstrate strain over a period of years.

MR. HELMS: You mean to say they don't consider it a strain to sit

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around this table with this group?

MR. WARNER: That would be a part of the consideration, but the 5:00 o'clock has nothing to do with it.

MR. KIRKPATRICK: There is one thing where I would say this report is too optimistic. FECA is not as good as it looks on the surface. Getting an interpretation of anything that is the slightest divergence out of performance of duty, past BEC, is very, very difficult.

25X1A9A

MR. [REDACTED] Then we are very poorly protected in the Far East and the European theater where we are under exactly the same conditions as the 25X1C4A military. We are [REDACTED] performing duties 24 hours a day. We are more like a military service, certainly, than the Department of Agriculture.

25X1A9A

MR. [REDACTED] It's only fair to say, however, that BEC interprets death overseas on a very much more liberal basis than they do in Washington.

25X1A9A

MR. [REDACTED] I don't know that. 25X1A6A
MR. WARNER: They will take a TB case out of [REDACTED] where they wouldn't take a TB case in Washington. They will take a polio case out of [REDACTED], where they won't take a polio case anywhere in the United States.

25X1A9A

MR. [REDACTED] They argue each case on its merits. You have to fight for each case on its merits.

MR. KIRKPATRICK: I was saying that I think the interpretation of FECA as being a liberal Act is true, but your performance of duty has to be very clearly in line to get BEC to approve it.

MR. WARNER: I might point out that this subject was exhausted with that whole working group on career benefits, and eventually it got to this Board and it was decided not to do anything about it. I knew it was a problem, but in view of all considerations the decision then was to leave it alone.

25X1A9A

MR. [REDACTED]: I missed on that one. I thought the Legislative Task Force was going to get into that.

MR. WARNER: Incidentally, you would need legislation to change that picture.

MR. BAIRD: John, to get back to something that concerns my Office as well as other offices, in this non-sched airline proposition are we doing

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what we should do? Should we make it obligatory to take out WAEPA or should we make them sign a statement they are not covered unless they take out WAEPA?

25X1A9A

MR. [REDACTED] I think your obligation is to make sure that they understand the benefits they have, and the weaknesses, in what they do with respect to ordinary life.

MR. KIRKPATRICK: Matt has a greater one. Nobody should step on that airplane unless they know what happens if they do.

MR. BAIRD: We don't let anybody step on the plane that isn't covered by orders.

25X1A9A

MR. [REDACTED] It gets you in under WAEPA if he has got it.

MR. [REDACTED] And it also gets you under FECA.

MR. [REDACTED] We should secure a signed statement from all people going overseas.

25X1A9A

MR. [REDACTED] If I flew from here to New York and had WAEPA then I am covered, unless I am going under orders?

25X1A9A

MR. [REDACTED] You do get it under all circumstances.

25X1

5X1

25X1C

MR. KIRKPATRICK: In the world trip I took in 1952 I can count 7 specific times when the policy I took would not cover me because it wasn't a scheduled airline.

25X1C

MR. KIRKPATRICK: Recent policies are confined to regular airlines.

25X1A

MR. [REDACTED] My Guardian Life in 1932 had no coverage. They excluded

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scheduled airlines.

25X1A9A MR. REYNOLDS: I had some old policies and I had them endorsed.

MR. [REDACTED] The companies will endorse them and remove these disabilities.

MR. KIRKPATRICK: Any more discussion on the Insurance Task Force Report or its recommendations?

MR. REYNOLDS: I move that it be adopted.

MR. KIRKPATRICK: It's already approved. And we will tender half thanks to the Insurance Task Force and give the other half later.

25X1A9A

... Messrs. Warner and [REDACTED] retired from the Meeting . . .

25X1A9A

MR. KIRKPATRICK: Item 3 on the agenda is Mr. [REDACTED] report concerning the Task Forces.

25X1A9A

MR. [REDACTED] Six Task Forces were directed to be set up at the last meeting. Task Force No. 1 on Promotions held three 4-hour meetings and finished their job at 2:00 o'clock today, and its report will be on the agenda for the next meeting, which will be distributed Monday. The other Task Forces have had either one or two meetings, and two of them are due to meet tomorrow for the first time. Without boring you with the details, I think the main point to make is that one Task Force has finished its job and the others are in full flight.

MR. KIRKPATRICK: Any comment on that?

25X1A9A

MR. [REDACTED] I have one. My representatives on four of the Task Forces asked me to express their gratitude to the Chairman of each of those Task Forces for having prepared the material in such an excellent way that they could go right to work. Take a bow.

25X1A9A

MR. [REDACTED] Thank you, Sir.

MR. KIRKPATRICK: Under new business, to make sure that we had the complete approval from the Director's Office on the establishment of the Task Forces and the general plan for wrapping up the next three months, I asked for a meeting with General Cabell for Mr. Reynolds and myself.

Harry, do you want to report on that?

MR. REYNOLDS: We went over the Task Force set-up and we also considered this Board which is reported on page 2 of the last minutes, and also on the first page of the Plan of Action for the CIA Career Service Board.

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After thinking that over very carefully myself I went to see General Cabell yesterday and told him that, in view of the fact that the Director had given me some very definite objectives to reach, I could not possibly see my way clear to approving that Board unless I was the Chairman of it; and, also, that it was necessary to integrate the Career Service Program completely into the Office of Personnel, and to operate it as one and the same sound personnel program I must be the Chairman of it. He agreed with that and talked with Kirk, and concurred - so that he will not be a member of the "council", so-called. Inasmuch as I report to the Director anyway, it doesn't make very much difference, but it could not be done any other way, in my opinion.

MR. KIRKPATRICK: I think you can add to that, too, that General Cabell agreed to the presentation program and suggested that rather than having it at night or on a Saturday morning, that we started at say 4:00 o'clock, or 3:00 o'clock and have it late one afternoon. And he saw no reason why all of the executives of the Agency couldn't be absent from their desks for that particular period. And he thought the idea, generally speaking, was very good.

MR. BAIRD: Will they be there, though, Kirk?

MR. KIRKPATRICK: This will be attendance by direction.

MR. BAIRD: I just wondered whether certain offices can afford it.

MR. [REDACTED] I'd hate to hear what would happen at the White

House.

MR. KIRKPATRICK: I am quoting to you the views of the Deputy Director, whose office is right down this hall.

MR. HELMS: Well, it's going to be an interesting experiment.

MR. [REDACTED] There are enough of us who have heard this who needn't go.

MR. KIRKPATRICK: The whole Board is supposed to be there on the platform.

MR. [REDACTED] I'd like to hear it or to know what the other people were told.

MR. KIRKPATRICK: I think that is an important part of this presentation. I don't care when it takes place but I think it is important that everybody get the information at the same time and from the same individuals.

MR. REYNOLDS: Have it at 4:00 o'clock on Tuesday afternoon.

MR. [REDACTED] Is it planned that Mr. Dulles will be there?

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MR. KIRKPATRICK: The Deputy Director thought he should be present the entire time.

Any other new business?

MR. BAIRD: I have this National War College deal.

MR. KIRKPATRICK: You didn't sound like you really wanted to put that forward.

MR. BAIRD: But there is some work to be done prior to then. I'd like to call attention to the Board that there are some 26 candidates for the National War College alone. Do you want to review the files on all 26 and interview all 26, or do you want to set up some screening mechanism which can report back to you on say 10 of those 26, or 8 or 6, or do you want to go through the whole procedure?

MR. HELMS: I recommend that Colonel Baird do the screening.

MR. KIRKPATRICK: Dick, what about a working group of this Board, with a representative from each of the components, the DD/I, DD/P, DD/A, Commo, Training and Personnel, to screen them and bring them down to say 10, or 8 or 7, or something like that.

25X1A9A

MR. [REDACTED] I think it would be important to have somebody who has been to the National War College, perhaps even this year. I don't know what the National War College gives now. I wouldn't be able to add anything - whether they would be good representatives or good to take it.

MR. BAIRD: In the past we have picked a panel from the graduates of the National War College.

MR. KIRKPATRICK: Why don't we leave it to the Director of Training to pick a panel then, and screen them down?

25X1A9A MR. [REDACTED] They select them at the next meeting, a week from today. We will have the promotion policy and the selection.

MR. KIRKPATRICK: We will start off with these at the next meeting and then get on the promotion policy.

Any other new business? Stand adjourned.

. . . The Meeting adjourned at 5:10 p.m. . . .